

UTAH HOUSING CORPORATION
Minutes of Special Meeting

December 12, 2013

PARTICIPANTS

Trustees:

Douglas DeFries, Chair
Mark Cohen, Trustee
Lucy Delgadillo, Trustee
Richard Ellis, Trustee
Lerron Little, Trustee
Jon Pierpont, Trustee

Staff:

Grant Whitaker, UHC President and CEO
Cleon Butterfield, UHC Senior Vice President and CFO
Jonathan Hanks, UHC Senior Vice President and COO
Claudia O'Grady, UHC Vice President, Multifamily Finance
Lindsay Bunker, UHC HR Specialist

Guests:

Fred Olsen, Ballard Spahr, LLP
Tracy Theis, Kier Girls
Bonnie Kier-Herrick, Kier Girls
Kimi Kier-Noar, Kier Girls
Norma Kier, Kier Girls
Denise Tree, Kier Girls
Mark Adams, Horizon Development
Dennis Kelsey, HACSL
Daniel Herbert Voss, DWS-HCD
Shelli Glines, DWS-HDC
Clint Costley, Kier Construction
Steve Kier, Kier Construction
David Bevan, Parley's Partners
Hooper Knowlton, Parley's Partners
Ivan Carroll, Giv Holdings
Chris Parker, Giv Holdings
Mike Lim, Giv Holdings
Joe Post, HASLC

Trustees of the Utah Housing Corporation (UHC or Utah Housing) UHC staff, and guests met in a Special Meeting on December 12, 2013, at 1:30 PM MDT in person and via teleconference at the offices of Utah Housing Corporation, 2479 S Lake Park Blvd, West Valley City, UT.

The meeting was called to order by Chair, Doug DeFries. The Chair then determined for the record that a quorum of Trustees was present, as follows:

Douglas DeFries, Chair
Mark Cohen, Trustee
Lucy Delgadillo, Trustee (via teleconference)
Richard Ellis, Trustee
Lerron Little, Trustee
Jon Pierpont, Trustee (via teleconference)

The Chair excused the following Trustees:

Kay Ashton, Vice Chair
Ed Leary, Trustee
Robert Whatcott, Trustee

The President then reported that the Notice of the Special Meeting was given to all Trustees of Utah Housing and that material addressing the agenda items had been distributed to the Trustees in advance of the meeting.

The President then acknowledged a Verification of Giving Notice, evidencing the giving of not less than 24 hours public notice of the date, time, place and summary of agenda of the Utah Housing Corporation Special Meeting in compliance with the requirements of the Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended; together with the form of Notice of Special Meeting referred to therein; and also the required public notice of the 2013 Annual Meeting Schedule of Utah Housing will be entered into the Minutes.

Mr. DeFries began by welcoming the participating Trustees, staff and guests.

The Chair called for the first agenda item.

1. Approval of the Minutes of October 31, 2013, Regular Meeting

The President had provided each Trustee with a copy of the written minutes of the October 31, 2013, Regular Meeting, and the Trustees acknowledged they had sufficient time to review these minutes. Mr. DeFries asked for any discussion on the October 31, 2013, minutes as presented.

Following any discussion, the Chair called for a motion.

**MOTION: TO APPROVE THE WRITTEN MINUTES OF THE
REGULAR MEETING OF OCTOBER 31, 2013.**

Made by: Lucy Delgadillo
Seconded by: Lerron Little
Vote: Unanimous approval

The Chair called for the next agenda item.

2. Resolution 2013-21 Approving 2014 Low Income Housing Tax Credit Allocations

RESOLUTION 2013-21

**A RESOLUTION OF UTAH HOUSING CORPORATION RESERVING
FEDERAL AND STATE HOUSING TAX CREDITS.**

Mr. DeFries began by introducing Resolution 2013-21 which is the allocation of the 2014 Low Income Housing Tax Credits. Mr. DeFries remarked that this is a culmination of a lot of effort on everyone's part to participate in this round. Mr. DeFries asked Grant Whitaker to begin discussions.

Mr. Whitaker began by saying that UHC is the state's Low Income Housing Tax Credit Allocating Agency by Utah code. All allocations are made according to the federally mandated Qualified Allocation Plan (QAP). The requirements for the QAP, according to federal law and regulation, are few. The federal government does not provide much guidance, so UHC adopts the QAP on the basis of the input received from the public and goals UHC establishes for the program. UHC makes every effort to make the process fair, equitable, and open.

Mr. Whitaker went on to say that the QAP is the program rules which applicants and UHC must abide by. Those who receive the credits have ongoing compliance requirements, some of which are dictated in the QAP as well. The demand for the credits always exceeds the amount available, making it doubly important that UHC does the best job possible to get applicant input but also establishing that those rules make sense from the UHC mission standpoint as well.

Mr. Whitaker explained that on March 18, 2013, UHC held the first professional input meeting. UHC maintains a mailing list of individuals representing development companies, investors, lenders, housing advocates, community partners and governmental organizations who have asked to be notified of housing credit matters, and those were the individuals to whom a notice of the meeting was sent. This meeting is one that Utah Housing has held each year for many years, but it is not mandated by the tax code. It is the first official opportunity for UHC staff to receive input for the next QAP, although it is common that recommendations will be made all year round.

The initial draft of the QAP was published on UHC's website in early June. Those who are on the list of interested parties were notified that the draft was available for review online. A mandatory requirement under the federal law is that there be at least one public hearing be held. Notices of the hearing were sent to those on the list, and the hearing notice was published as required by code and on the State's Public Meeting Website. This hearing was held June 17, 2013 about one month earlier than usual.

Mr. Whitaker stated that throughout the process UHC received a substantial amount of input from interested parties via email, and conversations with staff, and UHC tried to take into account those suggestions that made good sense for the program. He noted that there were no comments made this year at the public hearing

Mr. Whitaker then reported that a committee of the board assembled on July 17, 2013 to review through the draft QAP and during that review the committee members proposed certain amendments as well.

The QAP for 2014 was ultimately approved on August 1, 2013 by UHC's Board of Trustees in a public meeting. UHC conducted general program training and training for new applicants. This training is mandatory for those who are new to the program and available to others so that everyone had the best ability to understand what needed to be done in completing and submitting applications.

Mr. Whitaker went on to say that following Board approval of the QAP, the QAP was delivered to the Governor's Office for approval. Another mandate of the federal code is that the chief executive officer of the governmental entity over the allocator must approve the QAP. In the case of a state-wide agency, that would be the Governor.

Mr. Whitaker continued by saying the draft QAP was posted on UHC's website pending the approval, so that everyone could get started on review of the requirements of the QAP a little sooner. Governor Herbert approved the QAP on August 20, 2013.

Mr. Whitaker stated further that on October 7, 2013, the due date for submission of applications, there were twenty applications delivered for an aggregate amount of \$10.7 million, down from \$11 million last year. Four applications delivered were nonconforming and not eligible to be scored for technical reasons. Four applications' scores were adjusted for ineligibility to claim certain points, and all matters related to scoring discrepancies were handled at the staff level. There were no appeals.

Mr. Whitaker noted that the QAP provides that allocations are based on a competition with the highest scoring applications being awarded credits from the category of credit pools the applications are eligible to be scored in. The recommendation to the Board is that they award all \$529,667 from the federal credit carryover from 2013 and the full \$6,567,160 from 2014 federal credits, plus \$301,293 as a forward allocation from 2015 federal credits and \$192,965 of state credits. That leaves a balance of \$163,946 in state credits that are not recommended for award. There was a greater demand for state credits than has been shown for the last few years, but not enough demand to utilize all that are available.

Mr. Whitaker turned the time over to Mark Cohen, Chair of the Tax Credit Committee, for comments and a summary of the Committee's review.

Mr. Cohen reported that the Committee went over the details of the staff's review process and staff's findings and recommendations. He remarked that the projects that were represented by the applications were high quality projects.

Mr. Cohen pointed out that among the applications received more than 50% of the units were for senior housing. He also noted that 85% of the units were either studio or one-bedroom units, with only 7 three-bedroom units and no four-bedroom units among those that are recommended to receive the awards. He remarked that only one successful project is located in rural areas and the

balance are located along the Wasatch Front. Of the 16 applications eligible for scoring, all but two are recommended for awards. There is a significant drop-off in earned points between the projects recommended for awards and the two that are not, so the cut is a good place to occur, and the award of 2015 forward credits is proper because of the clear delineation among the scoring structure.

Mr. Whitaker concluded by recommending that the Board approve Resolution 2013-21.

Mr. DeFries noted that both he and Lerron Little serve on the Tax Credit Committee.

Mr. DeFries then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

MOTION: TO APPROVE RESOLUTION 2013-21 OF UTAH HOUSING CORPORATION AUTHORIZING THE ALLOCATION AND RESERVATION OF FEDERAL AND STATE HOUSING TAX CREDITS AS SET FORTH IN EXHIBIT A.

Made by: Mark Cohen
Seconded by: Lerron Little

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Mark Cohen	Yes, as filed with UHC
Douglas DeFries	Yes, as filed with UHC
Lucy Delgadillo	No interest to disclose
Richard Ellis	No interest to disclose
Lerron Little	Yes, as filed with UHC
Jon Pierpont	No interest to disclose

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Following further discussion, Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

The Chair called for the next agenda item.

3. **Resolution 2013-22 Authorizing the Issuance of up to \$100,000,000 GNMA MBS**

RESOLUTION 2013-22

A RESOLUTION OF UTAH HOUSING CORPORATION AUTHORIZING THE PURCHASE OF UP TO \$100,000,000 OF SINGLE FAMILY MORTGAGE LOANS, THE EXCHANGE OF SUCH MORTGAGE LOANS FOR GNMA MORTGAGE-BACKED SECURITIES, THE SALE OF SUCH GNMA MORTGAGE-BACKED SECURITIES AND AUTHORIZING ALL DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RELATED MATTERS.

Mr. DeFries began by introducing the recommendation that the Board adopt a motion authorizing UHC to issue up to an additional \$100,000,000 in GNMA Mortgage Backed Securities (MBS) for the purpose of enabling UHC to purchase single family loans. Mr. DeFries asked Grant Whitaker to begin discussion.

Mr. Whitaker began by saying that the next three agenda items each are requesting Board approval to seek different capital sources to fund single family loan production totaling \$275 million.

He asked the Trustees to turn to the first three reports under the Operating reports of their Board Packets. He noted that the first report is a summary of current capital sources used to fund single family loan purchases since 2009, excluding the small \$11 million HOMES program of tax-exempt GNMA's that has not been fully operational.

The second report demonstrates the program mix and funding sources of single family loans for all of 2012 and through November 2013. He noted that demand has been strong and Utah Housing will easily break the record set last year of \$417 million in loan purchase, with the \$500 million mark in sight already. The third report shows a comparison by month of loans purchased and those that have been paid in full.

Resolution 2013-22 is the eleventh resolution for GNMA MBS authority. The Board has previously approved by resolution \$950 million in GNMA MBS issuance authority (most recently \$100 million in August 2013) with over \$877 sold to GNMA.

Mr. Whitaker went on to say that in the fall of 2009 UHC began its securitization of mortgage loans into GNMA MBS. Issuing GNMA MBS allows UHC to sell its loan production to investors in the secondary market for cash. The cash is used to reimburse Utah Housing when its own funds are used for the first lien mortgage loan purchases or to pay off the warehouse line used to purchase the mortgage loans from its participating lenders. Since 2009 UHC has relied on several different capital sources to fund its single family program. In addition to the MBS issuance, UHC has funded its single-family mortgage programs by issuing taxable bonds along

with the sale of loans to certain industrial banks. The capital source UHC uses for any given pool of loans is based on which source provides the best financial benefit as determined by pricing. During the past year delivering loans into a GNMA MBS sold as an interest rate hedge represents one of the best executions and pricing for the sale of UHC loans.

Mr. Whitaker indicated that the Ginnie Mae MBS has been the program bread and butter because it is most often the best execution allowing the lowest mortgage rate and highest income to UHC. Other sources included in last years' production include CRA pools with three industrial banks and taxable bond issues through Zions Bank. Two newer sources approved include tax exempt GNMA trades with Wells Fargo and Fannie Mae Risk Share Program. Mr. Whitaker then reviewed the GNMA TBAs/Securities Sold, UHC's Calendar Year Production.

Mr. Whitaker said that trading with six broker/dealers, UHC has sold over \$877 million of GNMA MBS pools since it began issuing in 2009, and \$407 million in calendar year 2013. The GNMA MBS securities have funded over 2,300 mortgage loans in 2013 while earning UHC on average a premium of about 4.9% amounting to \$21 million gross income so far this year, in addition to servicing fees to be earned over time.

He went on to say that since the introduction of the HomeAgain and Score loan products in April of 2012, UHC's production has continued to increase. During the recently ended fiscal year, UHC purchased 3,492 loans for over \$528 million. Previous yearly records were the purchase of 3,686 loans in 1989 and \$329 million of loans in 2007. Since July 1st, the beginning of this fiscal year, UHC has purchased 1,544 loans in the amount of \$246 million. That is an average of nearly \$2.2 million per day, more than double the historical trend. Approximately 36% of the loans purchased have been from HomeAgain and Score. These two new loan products represent a significant portion of the increase in volume. The newest program launched in mid-August, NoMI has accounted for 22% of loan production since that time. It is estimated that the single family mortgage program demand will continue at \$125 million or more per calendar quarter for the year 2014.

Mr. Whitaker concluded by recommending that the Board approve Resolution 2013-22.

Mr. DeFries then asked if there were any additional comments or discussion from the Board. Following any additional discussion, the subsequent motion was made:

MOTION: APPROVE RESOLUTION 2013-22 OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE OF UP TO \$100,000,000 OF GNMA MORTGAGE BACKED SECURITIES TO FUND SINGLE FAMILY MORTGAGE LOANS.

Made by: Mark Cohen
Seconded by: Richard Ellis

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Mark Cohen	Yes, as filed with UHC
Douglas DeFries	Yes, as filed with UHC
Lucy Delgadillo	No interest to disclose
Richard Ellis	No interest to disclose
Lerron Little	Yes, as filed with UHC
Jon Pierpont	No interest to disclose

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing, that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

The Chair called for the next agenda item.

4. Resolution 2013-23 Authorizing the Issuance of Single Family Mortgage Taxable Bonds in the Amount of \$100,000,000

RESOLUTION 2013-23

A RESOLUTION OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE AND SALE OF SINGLE FAMILY MORTGAGE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE GENERAL INDENTURES, SERIES INDENTURES, BOND PURCHASE CONTRACTS, OFFICIAL STATEMENTS, MORTGAGE PURCHASE AGREEMENTS AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

Mr. DeFries began by introducing the recommendation that the Board adopt a motion authorizing the issuance and sale of not to exceed \$100,000,000 taxable Single Family Mortgage Bonds during 2013 under various bond series. Mr. DeFries asked Grant Whitaker to begin discussion.

Mr. Whitaker began by referencing the sources needed to fund the single family loan production when demand was met with the issuance of tax exempt bonds coupled with the issuance of taxable bonds and then from 2000 through 2008 swaps were entered into to reduce the overall rate paid by Utah Housing on a given issue to enable the mortgage rate to be lower and to meet

the high demand for its mortgage loans. Taxable bonds have been an important component of financing since 1989.

Mr. Whitaker went on to say that Utah Housing sold \$25 million of taxable bonds last year to Zions Bank and another \$79 million in 2013 including an issue of \$17 million to close next week..

Mr. Whitaker explained that it used to be that as the bonds were issued, Utah Housing would effectively accept the rates offered by the market investors, and structure the components to match the needed interest rate. In the case of the taxable bonds, Utah Housing informs Zions Bank of the rate needed to make the transaction achieve a rate comparable to the best other execution that can be obtained at the time, typically a GNMA TBA. Investors then determine how much they are willing to accept at that rate and the deal is struck.

Mr. Whitaker discussed that instead of bringing as many as six different bond issues, at \$15 to \$20 million apiece to the Board for approval, UHC is asking for authorization for \$100 million that will allow staff to act quickly when Zions proposes a bond issue based on investor demand to match up with continual loan production. UHC's pricing model and loan management software allows us to move loan production to match available and best funding sources. Each of the bond issues would be done under the same general indenture that UHC started out with in 2012. As different issues are sold under that indenture, it becomes stronger and some of the requirements by the rating agencies will be met more readily.

Mr. Whitaker added that approval of the Resolution authorizes Utah Housing general funds to make available second mortgage loans for down payment assistance at a rate 2% higher than the first mortgage loan. The second mortgage loan will be in an amount not to exceed six-percent of the first mortgage loan, and will be used to fund part of the borrowers' down payment and closing costs. Additionally UHC's equity contribution of up to \$3.3 million is requested to pay for asset coverage purposes to meet rating requirements. He recommended that a maximum mortgage rate be approved at 5.5% allowing some flexibility as rates may rise throughout 2014.

Mr. Whitaker concluded by recommending that the Board approve Resolution 2013-23.

Mr. DeFries then asked if there were any additional comments or discussion from the Board. Following any additional discussion, the subsequent motion was made:

MOTION: TO APPROVE RESOLUTION 2013-23 OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE OF SINGLE FAMILY MORTGAGE BONDS IN THE AMOUNT OF \$100,000,000 WITH A MORTGAGE RATE NOT TO EXCEED 5.5%, EQUITY CONTRIBUTION OF \$3,300,000 AND DOWN PAYMENT ASSISTANCE OF \$6,000,000.

Made by: Lucy Delgadillo
Seconded by: Lerron Little

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Mark Cohen	Yes, as filed with UHC
Douglas DeFries	Yes, as filed with UHC
Lucy Delgadillo	No interest to disclose
Richard Ellis	No interest to disclose
Lerron Little	Yes, as filed with UHC
Jon Pierpont	No interest to disclose

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing, that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

The Chair called for the next agenda item.

5. Resolution 2013-24 Authorizing the issuance of not to exceed \$75,000,000 Fannie Mae MBS or whole loan transactions

RESOLUTION 2013-24

A RESOLUTION OF UTAH HOUSING CORPORATION AUTHORIZING THE PURCHASE OF UP TO \$75,000,000 OF SINGLE-FAMILY MORTGAGE LOANS, THE SALE OF SUCH MORTGAGE LOANS TO FANNIE MAE FOR CASH OR THE EXCHANGE OF SUCH MORTGAGE LOANS FOR FANNIE MAE MORTGAGE-BACKED SECURITIES, THE SALE OF SUCH FANNIE MAE MORTGAGE-BACKED SECURITIES, AND AUTHORIZING ALL DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RELATED MATTERS.

Mr. DeFries began by introducing the recommendation that the Board adopt a motion authorizing the issuance of up to \$75 million in Fannie Mae Mortgage Backed Securities (MBS) and whole loan sales for the purpose of purchasing single-family loans. Mr. DeFries asked Mr. Whitaker to begin discussion.

Mr. Whitaker began by saying that at the Special Board Meeting held May 10 of this year the Board approved new Single-Family Program parameters that would accommodate a program that is new to Utah Housing, although it has been around for a few years and used by other HFAs. The program has no mortgage insurance. Since 1986 all Utah Housing first mortgage loans funded by all capital sources were either FHA-insured or VA-guaranteed.

Mr. Whitaker explained further that due to sharply increased losses experienced by its mortgage insurance fund, HUD made significant changes to the FHA loan program over the last two years, significantly increasing the cost to homeowners to obtain an FHA-insured loan. FHA is becoming much more expensive, but provides higher debt to income ratios and lots of security (no risk) to UHC. FHA is necessary for GNMA transactions. As a result of the premium increases, UHC sought other lending opportunities to improve home affordability for its customers. Following a detailed review of other loan programs at the May 10th Board Meeting, the Board approved UHC's program parameter changes to accommodate the conventional loan product with no mortgage insurance (the "NoMI" product) only available to housing finance agencies.

Mr. Whitaker said that provision of NoMI compared with existing FHA loan programs include significantly lower monthly payment; no mortgage insurance; higher note rate; and shared exposure between Utah Housing and Fannie Mae on early-defaulting loans in the six-month period following the sale of a loan to Fannie Mae, although beginning early in 2014 the period is extended to 12 months. To mitigate UHC's risk, NoMI borrowers must have a minimum credit score of 700, a maximum debt-to-income ratio of 43%, and subordinate mortgages for down payment assistance will be no more than 4% of the first mortgage amount compared to 6% for FirstHome. NoMI loans will be sold by Utah Housing to Fannie Mae one of two ways, as whole loans or securitized into Fannie Mae MBS.

Jonathan Hanks described how the guaranty fee paid to Fannie Mae rose from 85 basis points at the beginning of the program to 100 basis points as of next week, and then across the board all Fannie Mae products will have an additional guaranty fee of 10 basis points more March 1, 2014. Partially offsetting that, the "adverse market charge" of 25 basis points will come off at that time. He noted that adverse market fee is paid upfront whereas the guaranty fee is ongoing and paid monthly.

He noted that we hope to see an increase in the number of loans produced under this program for several reasons, including the ease with qualifying borrowers under a conventional product versus an FHA product. Staff has been in discussions with a large national bank who has been a small participant in Utah Housing's single family program for several years. This bank, one of Utah's largest mortgage lenders, wishes to participate with Utah Housing largely because of the NoMI program. This program has the possibility of enabling UHC to have a larger market share and to become more profitable as a result. Utah Housing can better achieve its mission with financial strength.

Mr. Whitaker stated that this Resolution authorizes the second \$75 million of the NoMI executions and to provide down payment assistance in the form of second mortgage loans in an amount not to exceed 4% of the \$75 million or \$3 million. So far over \$41 million NoMI loans have been reserved with \$17 million in actual sales to Fannie Mae.

Mr. Whitaker concluded by recommending that the Board approve Resolution 2013-24.

Mr. DeFries then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

MOTION: TO APPROVE RESOLUTION 2013-24 OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$75,000,000 FANNIE MAE MBS OR WHOLE LOAN TRANSACTIONS.

Made by: Richard Ellis
Seconded by: Mark Cohen

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Mark Cohen	Yes, as filed with UHC
Douglas DeFries	Yes, as filed with UHC
Lucy Delgadillo	No interest to disclose
Richard Ellis	No interest to disclose
Lerron Little	Yes, as filed with UHC
Jon Pierpont	No interest to disclose

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Following further discussion, Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

The Chair called for the next agenda item.

6. Election of UHC Vice Chair

Mr. DeFries stated that Utah Housing Corporation's current Vice Chair, Kay Ashton has served two years in that capacity, and that his term is ending requiring the Board to approve a Vice Chair for another two years.

Mr. Whitaker remarked that the Utah Housing Corporation Act specifies that the Governor appoint the Board Chair, but the Board may elect its Vice Chair. The UHC By-Laws specify that the term of the Vice Chair is two years, but there is no restriction on the number of terms a Vice Chair may serve.

Mr. Whitaker said that he asked Kay Ashton if he would be willing to serve another two year term if his fellow Board Members were to elect him, Mr. Ashton confirmed that he is willing to serve another two years if that was the will of the Board.

**MOTION: TO NOMINATE KAY ASHTON TO SERVE AS
UTAH HOUSING CORPORATION VICE CHAIR
FOR ANOTHER TWO YEAR TERM.**

**Made by: Mark Cohen
Seconded by: Lucy Delgadillo**

Following further discussion, Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

Other items of Business

Cleon Butterfield and Jonathan Hanks reviewed the operating reports to the satisfaction of the Trustees.

Executive Session

Chairman DeFries called for an Executive Session in order to discuss litigation UHC is involved in. The Trustees all favored the closed meeting.

Following the closed session The Chair announced that the meeting was adjourned.